

STATE OF UTAH

2008 CONSOLIDATED PLAN UPDATE AND ACTION PLAN

Prepared by the Utah Division of Housing and Community Development (DHCD)
February 15, 2008

INTRODUCTION

This is the 2008 Annual Update and Action Plan for Utah's 2005-09 Consolidated Plan. Please note the new formatting and various tables facilitate reviews by HUD and the general public while following the outline suggested by HUD in "New State Action Plan Submission Provisions". This is the 3rd action plan associated with Utah's 2005-09 Consolidated Plan. DHCD expects to develop an EXCEL-based format for local agency use and DHCD's use in assembling and preparing a new state-wide Five-Year Consolidated Plan for 2010.

In Utah, units of local government have chosen to achieve efficiencies and pursue funding opportunities by pooling resources to create seven multi-county jurisdictions. This Consolidated Plan Update and Action Plan relies on information submitted by these seven planning jurisdictions for cities, towns and counties in non-entitlement areas. Each of the planning jurisdictions works with local government members to assess needs, prepare capital investment plans, and prioritize each region's needs. Assigned staff usually includes a professional planner. The data and prioritized needs submitted by the seven jurisdictions are used by the Utah Division of Housing and Community Development to create the state-wide annual update, annual action plan, and Consolidated Plan (every fifth year). The seven jurisdictions include:

Table 1
Planning Jurisdictions: Local Annual Updates and Action Plans

Name of Jurisdiction	Counties Covered	Public Input Process	Date submitted to DHCD (see attached CD for copies of action plans)
Six County Association of Governments	Piute, Sevier, Sanpete, Juab, Wayne, and Millard	Needs survey sent out to 480 citizens. Interviews were conducted with counties, communities, and community service agencies/nonprofit organizations. A public hearing was conducted with notice provided through all area newspapers. Local officials including commissioners, mayors, and congressional staff were in attendance.	December 2007
Five County Association of Governments	Garfield, Washington, Kane, Beaver, and Garfield	The agency held a 30-day public comment period from November 20 - December 20, 2007. The plan was available for public review at the FCAOG offices at 1070 West 1600 South, Building B., St. George, Utah and 88 East Fiddlers Canyon Drive, Cedar City, or on the FCAOG website (http://www.fcaog.state.ut.us). A public notice	December 2007

		advertising availability of the plan for public comment was published in The Spectrum newspaper on November 18, 2007. In addition, an article was included in the FCAOG newsletter soliciting comment on the draft document.	
Southeastern Utah Association of Local Governments	San Juan, Emery, and Carbon	Priorities for funding begins with the county and city budgeting processes, including the development of local entities' capital projects lists using the public hearing process. Input for the Consolidated Plan prioritization process is obtained from the district's housing authorities, low-income advocacy groups, disability services organizations, senior citizen groups, surveys of food bank and community services clients, the United Way, and information provided by the TRACKER and HEAT program data bases, etc. SEUALG staff serves on various committees, affordable housing committees, interagency coordinating councils, and community services councils where the Consolidated Plan is presented and input into the planning and prioritization process is sought. A public hearing was held December 18, 2007 at SEUALG's offices to review the plan, and a draft copy with updates was posted on the SEUALG website for public comment.	December 2007
Uintah Basin Association of Governments	Daggett, Duchesne, and Uintah	UBAOG provided citizens and units of local government with reasonable opportunity to comment on the 2008 Action Plan through a public hearing held November 21, 2007 at the UBAOG office. The agency also sent out public surveys and solicited comments through postings in the local newspaper and through the public comment period at the UBAOG board of directors' meeting on November 29, 2007. The final version of the 2008 Action Plan is in writing and available for viewing at the UBAOG office, the Division of Housing and Community Development office, and UBAOG website (www.ubaog.org).	December 2007
Mountainlands Association of Governments	Utah, Summit, and Wasatch	Initial public hearings were held on August 21, 2007 at MAG in Orem, Utah County, and August 22, 2007 at the Kamas City Hall, Summit County. These hearings were noticed by publication in regional newspapers, and were also noticed on the MAG web site (www.mountainland.org) and in the MAG monthly newsletter. To open the 30-day public comment period, a second round of public hearings were held on November 7, 2007 at the MAG office in Orem and on November 8, 2007 at the Kamas City Hall. These hearings were noticed by publication in the regional newspapers and on the MAG web site, in the MAG monthly newsletter and announced to Executive Council at their October 25 meeting.	December 2007
Wasatch Front Regional Council	Salt Lake, Davis, Weber, Tooele, and Morgan	Needs identified for each entity (local housing authorities, public services providers, homeless coordinating committees and health departments) are conveyed through capital improvement plans. Specific recommendations for the Consolidated Planning process	December 2007

		<p>were requested, and the Plan has been posted on the WFRC website (www.wfrc.org).</p> <p>Also posted is information regarding the CDBG program, including county allocation amounts, project ideas, previously funded projects and a link to the state DHCD. The Plan and countywide priorities were presented at an open house April 11, 2007, 4:30-6:30 pm, at Centerville City Hall.</p>	
Bear River Association of Governments	Box Elder, Rich, and Cache	<p>Two forums took place in Logan and Brigham City. Attendance for these meetings totaled 37, with the majority from Cache County. Attendees represented 23 non-profit organizations and 6 government agencies. The third meeting took place at a BRAG Governing Board meeting in Rich County. BRAG was asked to categorize a series of issues into one of four categories dealing with the adequacy of resources availability to address issues and the importance of each issue to a community. Of the 30 issues BRAG was asked to categorize, capital infrastructure issues were by far the most often identified. The second most listed issues were related to housing.</p>	December 2007

HUD funds including CDBG, ESG, HOME, and HOPWA are allocated along with other funding to create community-based projects. The local and statewide Consolidated Plans and updates are important in prioritizing the allocation of these and other scarce public funds at state, regional, and local levels. Other funds include the Utah Community Impact Fund (federal mineral lease royalties), state safe drinking water and wastewater programs, state community assistance programs, and the federal Department of Agriculture's Rural Development housing and community development programs.

Any allocation of HUD funds by the Division of Housing and Community Development is coordinated with other plans. For example, the homeless housing section of Utah's Consolidated Plan supports Utah's "10-Year Plan for the Elimination of Chronic Homelessness". The CDBG section supports the "Community Development Block Grant Program Application Policies and Procedures". The housing section supports the Olene Walker Housing Loan Fund's "2007 Allocation Plan". The ESG section supports the "Balance of State Continuum of Care" plan which is submitted to HUD annually during the super NOFA process and serves as the basis for new local applications submitted each spring to the Division of Housing and Community Development.

There will always be regional variation in terms of planning approaches and priorities due to each region's distinctly different problems and processes. Moreover, some regions are much more sophisticated in their planning processes – the level of sophistication being a function of capabilities and backgrounds of local elected officials and local/regional planning staff. The completeness of plans and updates as well as the depth of the analysis reflect that sophistication. During 2007, four formal all-day training sessions were held for planning staff from each of the seven jurisdictions. DHCD conducted these sessions to acquaint planners with better processes and sources to use for creating higher quality annual plan updates, action plans, and the overall Consolidated Plans. In November and December 2007, DHCD staff also conducted a series of conference calls with each jurisdiction's staff as work began on updated plans, action plans, and Consolidated Plans. In turn, DHCD expects the staff at local

cities and counties to now benefit from the technical assistance provided to the seven jurisdictions. Throughout the year, DHCD also provides on-going technical and financial assistance to the regions for research, planning, prioritization, and program development.

Annually, each of the seven planning jurisdictions updates a specific component of their old five year consolidated plan in preparation for the next five-year plans (due to HUD in 2010). For this 2008 year update and action plan, many of the local agencies updated their housing analysis, needs and priorities. Through updated and reliable data along with improved planning, the state and local/regional partners can find solutions to common problems.

Each region possesses an economic development plan, outlining preferences for economic development and expansion. The Division of Housing and Community Development facilitates the communication and coordination with the Governor's Office of Economic Development as well as other federal and state agencies and local governments for economic development. The Governor's Economic Revitalization Plan provides specific goals for economic development.

For all programs, DHCD engages community partners to expand the impact of HUD-funded programs in Utah. As institutional structures, these partnerships are evidenced by the high and consistent degree of leveraging that is created by HOME, ESG, HOPWA, and CDBG-funded projects. Each of the four programs is governed by a Board or advisory group with overall representation from institutional structures (community partners including non-profit agencies and local service providers): elected officials, community activists, commercial lending institutions, other state agencies, and business leaders. These representatives not only provide a community voice in policy and funding considerations, but provide access to local systems for program delivery and outreach.

EXECUTIVE SUMMARY

The State of Utah, Department of Community and Culture, Division of Housing and Community Development administers HUD Entitlement Programs for the state of Utah (those funds not awarded directly to entitlement cities and counties). The Utah Division of Housing and Community Development intends to implement the State of Utah Comprehensive Plan 2005-09 (as herein updated) and to strategically allocate resources for significant community, economic, and affordable housing development projects that reduce the number of persons living in poverty and that mitigate poverty's effects on households. Furthermore, the implementation of the state-wide plan and the local plans can improve the living conditions of lower income households, increase employment opportunities, create housing choices for all persons including homeless persons, and provide services targeted toward lower income households.

This consolidated plan covers the non-entitlement areas of the state. The cities of Salt Lake, West Valley, West Jordan, Taylorsville, Sandy, Layton City, Ogden City, Provo City, Orem City, Clearfield City, Logan, and St. George are excluded. The entire Salt Lake County entitlement population of over 991,984 is excluded. With these exceptions, this plan now serves a total population for 2007 of almost 1,100,000. The HOME program serves the entire state in that HOME funds can be spent in combination with other HOME funds coming to participating jurisdictions. ESG and HOPWA components serve a larger area due to the expanded eligibility of other participating jurisdictions especially along the Wasatch Front (Utah, Salt Lake, Davis and Weber Counties). Whereas, CDBG funding allocations are prioritized to assist rural Utah communities.

Table 2C summarizes past, current, and proposed performance indicators for 2005-09. Changes made for 2008 and since the 2005 Consolidated Plan was submitted are shown as footnotes to Table 2C. The summary of the accomplishments from the past three plan years are also reported in IDIS and the annual Consolidated Annual Performance and Evaluation Report submitted to HUD each June. The allocation of HUD funds for HOME, CDBG, ESG, and HOPWA are prioritized with the following activities for 2008:

1. Projects that serve low AMI populations including special needs (elderly, mentally ill, physically disabled, youth in transition and the homeless).
2. Housing projects that include the acquisition and rehabilitation of multifamily properties.
3. The rehabilitation of single family properties in rural Utah.
4. Rental assistance through the HOPWA program.
5. Development of community facilities and water infrastructure to benefit LMI populations.

CITIZEN PARTICIPATION

Table I shows the citizen participation for each of the local planning agencies as each area plan update and action plan was completed. For the 2008 Annual Update and Action Plan, the Division of Housing and Community Development advertised the availability of the draft statewide for public comment on February 5, 2008. Concurrent to that posting, the draft was posted to the DHCH website, and citizens were invited to contact staff with comments and questions. The formal public hearing occurred at the DHCD offices on February 14, 2008 (at 324 South State Street #500, Salt Lake City, Utah) in

accordance with Utah's Open Public Meeting Laws. This meeting was noticed statewide with electronic access to rural and remote areas upon request. A copy of comments received is included as Attachment 1. As noted, this update and action plan is consistent with other program plans promulgated by DHCD. Each of those plans also undergoes an annual statewide public comment period.

SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Table 2C shows the outcome measures proposed by DHCD. These state-wide outcome measures are based upon the review of outcome measures proposed by each of the seven planning agencies. For this update and action plan, the number accomplished has been polled from the HUD IDIS database (report #CO4PR23) or the OWHLF Annual or CDBG Annual Reports. The 2007 data have not been fully compiled, but will be submitted with the 2008 CAPER.

Table 2C – 2008 Annual Update and Action Plan (Statewide)

Table 2C Summary of Specific Objectives									
Specific Obj. #	Outcome/Objective	Priority	Sources of Funds	Proposed Allocation HUD \$ FY08	Performance Indicators	Program	Expected Number	Actual Number	Percent Completed
	Specific Objectives					Year			
DH-1	Availability/Accessibility of Decent Housing								
DH-1.1	Provide fully-accessible rental housing	H			Households assisted (new SF and MF units for persons having physical disabilities)	2005	50	34	68%
						2006	75	28	37%
						2007	100	45	45%
			HOME	\$200,000		2008	100		0%
						2009	100		0%
					MULTI-YEAR GOAL				
DH-1.2	Provide housing for households with special needs (mental illness, seniors, etc.)	H			Number of <u>new</u> units funded	2005	35	79	226%
						2006	40	181	453%
						2007	45	60	133%
			HOME	\$450,000		2008	45		0%
						2009	45		0%

					MULTI-YEAR GOAL				
DH-2	Affordability of Decent Housing								
DH-2.1	Develop more affordable rental housing	H			Households assisted (new and rehabilitated MF units)	2005	950	518	55%
						2006	975	540	55%
						2007	1,000	527	53%
			HOME	\$1,200,000		2008	750		0%
						2009	750		0%
					MULTI-YEAR GOAL				
DH-2.2	Provide housing solutions to end chronic homelessness	H			Number of new units funded	2005	0	0	0%
						2006	25	100	400%
						2007	100	169	169%
			HOME	\$750,000		2008	150		0%
						2009	150		0%
					MULTI-YEAR GOAL				
DH-2.3	Increase homeownership opportunities for low income families	M			Number of new homes created	2005	350	389	111%
						2006	350	139	40%
						2007	350	190	54%
			HOME	\$755,609		2008	60		0%
			ADDI	\$23,181					
						2009	60		0%
					MULTI-YEAR GOAL				
DH-2.4	Provide housing for households with HIV/AIDS (through short term rental assistance, TBRA, etc.)	M			# of households served with rental assistance	2005	80	145	181%
						2006	80	90	113%
						2007	80	NA	#VALUE!
			HOPWA	\$103,500		2008	80		0%
						2009	80		0%
					MULTI-YEAR GOAL				
DH-2.5	Increase capability of local agencies to plan and develop housing	M			Number of workshops and formal trainings	2005	5	21	420%
						2006	5	2	40%

	projects				provided	2007	5	12	240%
			HOME CDBG	state funded see below		2008	5		0%
						2009	5		0%
					MULTI-YEAR GOAL				
DH-2.6	Prevent homelessness through rental assistance	L			# of households served with rental assistance	2005	NA - new objective	NA - new objective	NA - new objective
						2006	NA - new objective	NA - new objective	NA - new objective
						2007	NA - new objective	NA - new objective	NA - new objective
			ESG	\$182,000		2008	35		0%
						2009	35		0%
					MULTI-YEAR GOAL				
DH-3	Sustainability of Decent Housing								
DH-3.1	Preserve more affordable housing	H			Households assisted (SF units preserved and rehabilitated including lead based paint abatement)	2005	20	88	440%
						2006	40	126	315%
						2007	60	139	232%
			HOME	state funded		2008	80		0%
						2009	100		0%
					MULTI-YEAR GOAL				
SL-1	Availability/Accessibility of Suitable Living Environment								
SL-1.1	Provide more and upgraded public facilities primarily benefiting low-income citizens	H			(LMI) persons served through increased number of facilities and services	2005	101,000	18,999	19%
						2006	101,000	64,846	64%
						2007	101,000	17,780 part year count	18%
			CDBG	\$3,500,000		2008	50,500		0%
						2009	50,500		0%

						MULTI-YEAR GOAL			
SL-2	Sustainability of Suitable Living Environment								
SL-2.1	Provide safe and clean water, primarily to low income persons, to improve the sustainability of the community.	H			(LMI) persons being served	2005	4,000	4,362	109%
						2006	4,000	2,953	74%
						2007	4,000	937 part year count	23%
			CDBG	\$500,000		2008	2,000		0%
						2009	2,000		0%
					MULTI-YEAR GOAL				
SL-2.2	Provide warm and safe shelter for the homeless	H			Shelter nights	2005	NA - new objective	NA - new objective	NA - new objective
						2006	NA - new objective	NA - new objective	NA - new objective
						2007	NA - new objective	NA - new objective	NA - new objective
			ESG	\$182,000		2008	1,200		0%
						2009	1,200		0%
					MULTI-YEAR GOAL				
SL-2.3	Remove barriers to disabled persons utilizing public facilities	M			Disabled persons being served	2005	50,000	6,166	0%
						2006	50,000	14,393	0%
						2007	50,000	14,623	#VALUE!
			CDBG	\$100,000		2008	25,000		0%
						2009	25,000		0%
					MULTI-YEAR GOAL				
SL-2.4	Provide other public infrastructure improvements	L			(LMI) persons being served	2005	3,000	1,182	39%
						2006	3,000	1,722	57%
						2007	3,000	NA	#VALUE!
			CDBG	\$1,750,000		2008	3,000		0%
						2009	3,000		0%
					MULTI-YEAR GOAL				

EO-1	Availability/Accessibility of Economic Opportunity									
EO-1.1	Create economic opportunity	L			Number of jobs created	2005	800	638	80%	
						2006	800	1,041	130%	
						2007	800	953	119%	
			CDBG	inc. above inc. above – see D-1 through SL-2		2008	800		0%	
			HOME			2009	800		0%	
						MULTI-YEAR GOAL				
EO-1.2	Support services to increase self sufficiency for the homeless	H			Hours of case management	2005	NA - new objective	NA - new objective	NA - new objective	
						2006	NA - new objective	NA - new objective	NA - new objective	
						2007	NA - new objective	NA - new objective	NA - new objective	
			ESG	\$212,000		2008	8500		0%	
						2009	8500		0%	
						MULTI-YEAR GOAL				
EO-2	Affordability Economic Opportunity									
EO-2.1	Increase available affordable units of workforce housing	M			Number of units created	2005	NA - new objective	NA - new objective	NA - new objective	
						2006	NA - new objective	NA - new objective	NA - new objective	
						2007	NA - new objective	NA - new objective	NA - new objective	
			HOME	inc. above – see D-1 through SL-2		2008	120		0%	
						2009	120		0%	

					MULTI-YEAR GOAL				
EO-3	Sustainability of Economic Opportunity								
EO3.1	Insure that projects support LMI populations	H			Average AMI served through projects	2005	40	39	98%
						2006	40	39	98%
						2007	40	33	83%
			HOME	inc. above – see D-1 through SL-2		2008	40		0%
						2009	40		0%
					MULTI-YEAR GOAL				
CR-1	Community Revitalization								
CR-1.1	Plan for better communities and utilization of funds	H			Number of LMI persons benefiting	2005	2,600	800	31%
						2006	2,600	800	31%
						2007	1,000		#VALUE!
			CDBG	\$445,440		2008	1,000		0%
						2009	1,000		0%
					MULTI-YEAR GOAL				

1. The lack of federal funding and support for the ADDI program have necessitated a dramatic reduction in proposed performance beginning in 2008.

2. To better reflect new activities to support affordable housing and homeless initiatives, DHCD has added new objectives for 2008.

3. For 2008, DHCD has redefined various objectives (see blue highlight) and the related performance indicators due too a “reality check” and new priorities. Certainly, some levels of production in 2007-09 could not sustain the earlier 2005 projections due to changes in the cost per unit, scarcity of other funding sources, declining federal funding, changing community needs, and availability of measurable data. DHCD realizes that changes noted in Table 2C may necessitate changes in IDIS per report #CO4PR73.

4. For administrative set-asides, see Attachment 4.

5. Items noted in red have been verified, while other performance data will be verified and submitted with Utah's 2007-08 CAPER.

OUTCOME MEASURES (See Table 2C above)

Each regional consolidated plan discusses performance measures and the reader should refer to each plan for detailed outcome measures.

ALLOCATION PRIORITIES

Priorities listed in Table 2A have been compiled by DHCD staff after review of local plans and discussion with planning agency staff. These priorities have been integral to the development of specific objectives listed in Table 2C above.

Table 2A
State Priority Housing Activities/Investment Plan

PART 1. PRIORITY HOUSING NEEDS		Priority Level Indicate High, Medium, Low, checkmark, Yes, No	
Renter	Small Related	0-30%	H
		31-50%	M
		51-80%	L
	Large Related	0-30%	H
		31-50%	M
		51-80%	L
	Elderly	0-30%	M
		31-50%	H
		51-80%	L
	All Other	0-30%	H
		31-50%	M
		51-80%	L
Owner	0-30%	L	
	31-50%	M	
	51-80%	H	
PART 2 PRIORITY SPECIAL NEEDS		Priority Level Indicate High, Medium, Low,	

Elderly	H
Frail Elderly	H
Severe Mental Illness	H
Developmentally Disabled	H
Physically Disabled	H
Persons w/ Alcohol/Other Drug Addictions	M
Persons w/HIV/AIDS	M
Victims of Domestic Violence	M
Other	

ART 3 PRIORITY HOUSING ACTIVITIES	Priority Level Indicate High, Medium, Low, checkmark, Yes, No
CDBG	
Acquisition of existing rental units	L
Production of new rental units	M
Rehabilitation of existing rental units	M
Rental assistance	L
Acquisition of existing owner units	H
Production of new owner units	L
Rehabilitation of existing owner units	H
Homeownership assistance	H
HOME	

Acquisition of existing rental units	M
Production of new rental units	H
Rehabilitation of existing rental units	M
Rental assistance	L
Acquisition of existing owner units	L
Production of new owner units	M
Rehabilitation of existing owner units	H
Homeownership assistance	L
HOPWA	
Rental assistance	H
Short term rent/mortgage utility payments	M
Facility based housing development	L
Facility based housing operations	L
Supportive services	L
Other	
A. Other Populations:	
1. Unaccompanied youth	H
2. Other discharged individuals (incarceration, etc.)	H
3. Homeless populations	H
B. Other Community Needs	
1. Community Facilities (libraries, community halls, etc.)	H
2. Water	H
3. Planning	M
4. Economic Development	L

5. Removal of Barriers for the Disabled	M
6. Sewer Systems	L
7. Transportation	L

Serving Distressed or Disadvantaged Populations and Communities

In connection with the LIHTC Program and USDA Rural Development, disadvantaged areas of the state have been identified. Often these areas are underserved due to their remote locations, lack of service agencies such as housing authorities and other non-profit providers, lack of infrastructure, and lack of development capacity for community and housing projects. DHCD has targeted Native American lands and populations for special projects in 2008-09 and 2009-2010. These special projects include a workcamp rehabilitation project for Ute and Navajo homes at the White Mesa and Westwater sites in San Juan County, a workcamp project at the Uintah Ouray Reservation in Duchesne and Uintah County, a \$150,000 rehabilitation grant to the Northern Shoshone Tribe for members in northern Utah, and a new partnership with the Utah Indian Housing Council to bring technical assistance to tribes lacking effective housing programs. Other projects being constructed or rehabilitated in areas with lower income populations often include natural concentrations of minority populations. Projects serving lower AMI areas receive priority points in the OWHLF multifamily loan application process. The following areas have been designated as disadvantaged areas where there housing shortages, unusually high unemployment, significant levels of poverty, concentrations of minority populations, lower per-capita incomes, economic isolation, and etc. DHCD has adopted these disadvantaged areas as focus areas and will target CDBG, HOME, ESG, and HOPWA funds and technical assistance/outreach to these areas.

- Bear River Region: Rich County
Cities/Towns: Randolph, Woodruff
- Uintah Basin Region: All three counties are included: Duchesne, Uintah and Daggett Counties
Cities/Towns: Duchesne, Roosevelt, Ballard, Naples, Myton, Tabiona, Fort Duchesne, Altamont and Manila
- Wasatch Front (non-entitlement only): Tooele
Cities/Towns: Wendover
- Six-County Region: Sanpete, Piute and Wayne Counties
Cities/Towns: Manti, Ephraim, Mt. Pleasant, Spring City, Fairview, Sterling, Moroni, Fountain Green, Marysvale, Junction, Kingston, Loa, Torrey, Bicknell and Hanksville.
- Five-County Region: Garfield County
Cities/Towns: Tropic, Escalante, Panguitch, Hatch and Cannonville
- Southeastern Region: San Juan and Grand Counties
Cities/Towns: Blanding, Monticello, Moab and Green River, Ferron, Emery Town, Clawson, Sunnyside, and East Carbon.
- Mountainland Region: Wasatch County
Cities/Towns: Wallsburg and Charleston

Overall, local financial resources tend to be scant for distressed communities. And, DHCD endeavors to place HUD entitlement funds to best leverage any local resources and create new funding partnerships. DHCD staff meets with partner allies on at least a quarterly basis to coordinate services, identification and prioritization of needs, and resource leveraging. For 2008-09, DHCD continues to develop a more active partnership with the banking community including Utah's Industrial Banks to access Community Reinvestment Act set-aside funds. At the same time, distressed and underserved areas generally require more technical assistance and capacity sharing to access and administer DHCD funds and any partner dollars. To this end, DHCD staff and partners are providing one-one-one and small group trainings during 2008-09. Topics include cost documentation, coordinating requests with the Utah Housing Corporation for Low Income Housing Tax Credits (LIHTC), HOME regulations, accessing CRA funding, local capacity building, regulatory barriers to affordable housing, and project development.

Another problem for distressed communities is finding reliable and affordable contractors to perform CDBG and HOME funded construction. DHCD continues to work with other labor pools including vocational programs and the weatherization assistance program to assist some of the outlying communities.

AFFORDABLE HOUSING (Please refer to Table 2C above)

Utah's need for affordable housing continues to outpace availability. For the lowest income population, there is almost a 2,500-unit gap between annual need and what the HUD- funded Olene Walker Housing Loan Fund (OWHLF) can currently provide. Utah's cumulative need in affordable rental units alone is estimated at 51,000 units. Based upon population growth, low to moderate-income households (those households less than 80% of the Area Median Income or AMI), needed 4,342 new affordable housing units per year from 1996-2002, while only 2,621 per year were constructed, creating a 40% gap. According to the U.S. Census for the lowest income population (those households below 30% AMI), approximately 625 new housing units are needed each year to meet Utah growth projections.

Affordability for almost 63,000 existing low-income housing units (less than 30% AMI) must be maintained including 41,500 rental units. For the lowest income population, this equates to almost 2,500 units needing rehabilitation each year.

For homeownership, affordability issues are compounded as housing costs continue to outpace income. While slowed, Utah's home price appreciation was among the highest in the nation in 2007. The average Utah home (excluding Park City) sold for \$248,969 in the second quarter of 2007 with a fraction of the overall home sales within an affordable range of less than \$160,000. Although state-wide home sales for all of 2007 were down by 24 percent compared to 2006, any resulting discount in home prices has not yet affected the price of affordable homes for sale. The national rate for foreclosures rose 75 percent in 2007, the Utah rate slightly decreased to 26 percent for 2007.

Rental units in Utah currently average \$565 per one bedroom unit and \$678 per two bedroom unit at fair market rents. With the estimated mean renter wage at \$9.92 per hour, a worker must earn \$10.86 per hour to afford a one bedroom unit and \$13.04 per

hour to afford a two bedroom unit. Clearly, to maintain local economies there is a need for more affordable rental properties for workers in lower paying jobs. Under these circumstances, community leaders are expressing increased support for workforce housing for teachers especially with statewide vacancy rates for rental housing under 3.8 percent and with vacancies as low as 1.2 percent in some counties.

During FY07, an emergency housing crisis occurred for refugee groups at the Hartland Apartments in Salt Lake County and for residents living in five mobile home parks. When the Hartland Apartments was sold and reconfigured to market rate units, 175 units of refugee households were displaced. When the five mobile home parks were closed in Cottonwood Heights, Heber, Midvale, Salt Lake City, and Spanish Fork, another 308 units of affordable housing were affected with approximately 50 percent seeking other affordable housing units to rent or buy. For FY08, the Division of Housing and Community Development sees continued housing emergencies due to the arrival of more refugees, several more mobile home park closures, displacement of renters due to condominium conversions, and the possible sale of three large rental complexes (former affordable tax credit properties) as market rate rental units. On top of the 2500 new units needed to handle normal population growth and demand for affordable housing units in FY08, these housing emergencies could require additional 500-550 units.



100 units at Sunrise Apartments were dedicated in January 2007 to provide supportive housing for the chronically homeless – the project included \$1.5 million approved by the OWHLF Board

All four HUD programs include a housing component (HOME, ESG and HOPWA and CDBG). Housing projects, including related off-site infrastructure improvements, compete well in the CDBG program because they are targeted and clearly eligible except for new single-family home construction. If gaps are present in the funding for housing projects, applicants consider applying for CDBG to fill those gaps.

There is a greater priority for housing-based CDBG applications due to the increased involvement of local governments in providing affordable housing programs per their community housing plans. The preparation of affordable housing plans has increased the awareness of the elected official on the issues surrounding housing. These plans are required under state law, with 139 plans submitted to DHCD as of July 2007. With technical assistance being provided during 2008-09 by DHCD staff, the quality of the community housing plans will increase to more accurately forecast housing needs and provide realistic action plans for housing developments. While these plans consider the growing need for workforce housing, they are expected to prioritize affordable housing actions to serve vulnerable populations including the elderly, frail, disabled, persons with HIV/AIDS, the homeless, and those with substance abuse issues.

The amount of HUD funding to DHCD for down payment assistance (ADDI) has steadily declined to less than \$25,000 for 2008-09, an insufficient allotment for a statewide program that has historically averaged \$2,000 per ADDI-participating household. With housing prices at near record highs, the \$2,000 is proportionately inadequate for most households. Beginning in 2008-09, the ADDI allocations will be provided to individual and eligible households as Individual Development Accounts (IDA) which leverages other sources for an overall and larger down payment. The IDA administering agency is identified in state statute as the nonprofit AAA Fair Credit Foundation. This agency provides a statewide outreach to potential IDA participants including current residents of manufactured home parks and public housing units. It should be noted that all allocations of ADDI funds after November 2007 are made as grants and not loans. Any repayments of ADDI loans from former participants are forwarded to the Utah Division of Finance and treated as HOME program income.

CHRONIC HOMELESS (Please refer to Table 2C above)

There are approximately 2,853 homeless in the state at any one time in the State of Utah. Of this number about 765 are considered to be chronically homeless. Close to 14,000 will experience homelessness in Utah during the year. A new winter point in time count is in the process of being completed as this report is being prepared. The following types of housing are available in Utah to assist the homeless:

- Domestic abuse shelters
- Transitional or permanent housing for persons with mental health disabilities
- Group homes for troubled youth
- Group homes for persons formerly incarcerated.
- Dedicated permanent housing for the homeless. (Sunrise 100 units, Grace Mary Manor 84 units, and Palmer Court 201 units)

The domestic abuse shelters are designed for temporary safe housing for the victims including mostly woman and children. There are shelters throughout the state which are often older homes located in neighborhoods in need of roof replacement or repair, interior modifications, upgrading of HVAC and accessibility modifications.

There are six mental health districts in the state all providing some housing for mentally disabled persons who are unable to live independently. This housing provides full assisted living services for clients along with comprehensive counseling and employment opportunities where warranted. Mental health agencies provide housing at their central facilities and at dispersed locations in communities, in specific specialized housing, and in group homes. Housing for the mentally disabled population competes well in the various program application processes. Funding is available through the Community Development Block Grant (CDBG) program and the OWHLF programs with services often funded through the Community Services Block Grant (CSBG) program.

While many communities have provided housing for domestic abuse and mentally disabled homeless persons and families, they have not provided for shelters for chronically homeless persons or transient homeless. The primary homeless shelter is the Road

Home in Salt Lake City. Many outlying areas simply provide transportation to the Road Home. The Road Home provides temporary housing for the homeless needs from Davis and Tooele Counties and any overflow needs for Weber and Utah Counties. In the winter there is also an overflow shelter managed by the Road Home in Midvale, Utah. There are a few additional shelters in the state.

During the 2008 program year, the elimination of chronic homelessness will take on even higher priorities as the state continues the implementation of the "Ten Year Plan To End Chronic Homelessness". With the implementation of this plan, Utah is shifting focus from managing homelessness to ending homelessness. DHCD has several projects underway focusing on this population, including bringing on new units dedicated to the chronically homeless, use of existing inventory for scattered site housing, and one-stop centers for homeless services.

The legislature will add at least \$300,000 in permanent funding to the appropriation for the Olene Walker Housing Loan Fund. The justification for the additional funds will be based on the need for additional permanent housing (housing first model) through reservation and new construction of housing for the homeless in addition to the need for more rental housing. There will also be a similar increase for the Pamela Atkinson Homeless Trust Fund to provide additional services associated with permanent supportive housing. Both proposals have received community support as the Legislature convenes for the 2008 Legislative Session.

In Utah, DHCD has formed and provides technical assistance and leadership to 12 Local Homeless Coordinating Committees (LHCC) located statewide. These committees are chaired by local elected officials and include a diverse membership of service providers, government officials, advocates and private sector individuals. These committees continue to be strengthened and must be fortified to address the homeless problems of each community on a local level. Each LHCC has identified unique needs in their communities and is proposing or has already implemented a pilot project to test systems changes and measure the results of these changes. Each of the 12 committees is required to develop and implement plans to support the statewide plan. Each region's plans must include:

1. Definition and Evaluation of Existing Services and Housing
2. Housing Needs of Homeless persons and families in Transition
 - Persons with support based disability
 - Persons able to live independently with limited support services.
3. Housing Continuum Descriptions
 - Shelter/Temporary Housing (Stabilization)
 - "Assisted Living Housing" (mental disabilities and substance abuse treatment)
 - Transitional Housing: i.e. SRO's, public housing, etc.

- Permanent Supportive Housing (Subsidized Rental Apartments and home ownership)

4. Housing Needs by Region

- Number of Individuals and families
- Homeless Housing Inventory
- Process for finding and accessing housing

5. Implementation Plan

- Priorities
- Performance Measures with Milestones
- Performance Measures

This state plan follows the same outline and includes the consolidation of information from the regions. It is important to note that each region presents data specific to the needs of their own region. Some regions have significant homeless issues (Wasatch Front and Mountainlands areas) and other regions have very few homeless populations, but still have a need to plan for those homeless who are present, to prepare for those at risk of becoming homeless, and to prevent homelessness among those who do live in their communities. Homeless pilot projects currently underway in Utah include:

- Salt Lake Pathways Pilot Project – Housing 17 Individuals with Supportive Services in a scattered site model.
- Ogden Pilot – Housing 4 individuals with Supportive Services in a scattered site model.
- Sunrise, Grace Mary Manor and Palmer Court Apartment Placement – Specialized Housing specialists dedicated to placing chronically homeless individuals in the Sunrise Metro Apartments (100 units), the Grace Mary Manor Apartments (84 units) and Palmer Court (201 units).
- Bear River – Housing Domestic Violence victims in scattered site apartments with community and faith based supports for independence.
- Davis County – Providing specialized services to homeless families who have children in the county school district.
- Salt Lake County Jail Discharge – Provide housing placement and supportive services to individuals being discharged from the Salt Lake County Jail.

Tremendous outcomes have already surfaced from the pilot projects and bring a tremendous learning experience for DHCD to further implement successful practices and identify the various methods to ultimately end homelessness in Utah. The goal of the State Homeless Coordinating Committee (SHCC) on all homeless matters is to solve issues statewide by focusing on local issues and local implementation. Hence, the organization of Utah's infrastructure is to analyze needs and deliver services. Upon analysis of the issues, we use the acronym PIES to describe our delivery process. It stands for Pilot, Implement, Expand and Sustain.

PUBLIC HOUSING

The Housing Authority of Salt Lake City intends to dispose of 313 of 630 units of public housing in the Salt Lake City metro area during 2008. Proceeds from the sale of the units will be used for development and construction of new low income rental properties. Residents of 313 units have been notified and will receive Section 8 vouchers, provided a 90-day notice of sale, and have received training on use of their Section 8 vouchers. Once a voucher is received, residents have 120 days to find housing. The HASLC is paying relocation expenses. Some housing agencies have expressed concern over the inability of the vouchers to effectively provide displaced households with comparable housing.

For other public housing units in Utah, DHCD has encouraged housing agencies to reapply to the Olene Walker Housing Loan Fund Board for funds to rehabilitate any older units.

EMERGENCY SHELTER GRANTS (Please refer to Table 2C above)

ESG has proved to be a valuable tool for implementing the homeless strategies identified by local communities. DHCD has used ESG funds for a variety of eligible activities throughout the state and in conjunction with locally identified needs. The use of these ESG funds will be in conjunction with the goals set forth in the Consolidated Plan which highlight the following areas of focus:

- Homeless Prevention
- Affordable Housing
- Supportive Services
- Information Management
- Chronic Homelessness

In addition, the eligibility criteria and emphasis of funding must be aligned with the state ten-year plan and the local objectives outlined in their respective LHCC.

Homeless Prevention is a key focus in our efforts to close the front door to homelessness. One of the primary goals of the allocation committee is to award 30% our ESG funds for homeless prevention activities.

DHCD will be measuring affordable housing objectives as part of the essential services portion of ESG. This relates to our effort to measure the actual client outcome as a result of the case management funded through essential services. DHCD has adopted a self-sufficiency matrix to measure the progress of individuals in many different categories of self-sufficiency. Affordable supportive housing is a very important component of this. The state has used the 30% maximum for Essential Services in the past and would anticipate funding the same percentage this year.



**Match for the ESG funding is derived from the
Pamela Atkinson Homeless Trust Fund**

Along with the housing metrics mentioned above, DHCD is also measuring the results of specific categories within the case management services of sub-grantees. For example, if an agency is awarded funds for Essential Services to implement a Substance Abuse program, our matrix will measure where the client begins and has progressed throughout the program year. This will allow DHCD to effectively determine client level outcome results. It will also allow sub-grantees to identify specific gaps in service and other modifications that may be necessary to achieve the desired outcome as outlined in their contract scope of work.

The SHCC remains an outcome-oriented, research-based, decision-making body. Information Systems are a critical function of the measurement of our success. Every recipient of ESG and Pamela Atkinson Homeless Trust Fund (PAHTF) must participate in the HMIS with the exception of Domestic Violence providers. With the integration of the aforementioned self-sufficiency matrix as a required field of information, DHCD will generate real-time data to make sound decisions regarding programming. Currently, DHCD is generating point-in-time information on a semi-monthly basis for reporting to the SHCC.

For the 2008-09 year, DHCD anticipates allocating the distribution of ESG as 5% Administration, 30% for Homeless Prevention, 30% for Essential Services and 35% for Operations and Maintenance (See Table 2C). All of this funding is offered at one time as part of a statewide application process and is dependent on the applications submitted and which qualify for funding. The State will maintain the statutory limitations of Homeless Prevention and Essential Services and will have all funds committed by May 14, 2008.

HIV/AIDS (Please refer to Table 2C above)

The State of Utah supports existing HOPWA projects and services by distributing funds to agencies that serve clients throughout the State. Based upon the recommendations of the HOPWA Advisory Committee and DHCD staff, funds are distributed annually to the service agencies under the approval of the Governor's Olene Walker Housing Loan Fund Board. Recipients currently include Catholic Community Services-Ogden Area (CCS) which serves northern Utah, two urban counties (Davis and Weber), and four rural counties (Morgan, Rich, Cache, and Box Elder); Salt Lake Community Action Program (SLCAP) which serves central, southern, and eastern rural Utah; Ogden City Housing Authority which serves clients in Weber County; St. George Housing Authority which services clients in the city of St. George and southwestern Utah; and the Davis County Housing Authority which provides assistance in Davis County. Essentially, this combination of agencies provides services to every area of the State. Services include short-term rental assistance, Tenant Based Rental Assistance, and any mortgage and utility payments for homelessness prevention.

The new DHCD HOPWA Program Manager has responsibility for the HOPWA program in Utah. During 2008, the Program Manager will assess the effectiveness of the HOPWA program as it is currently operating. In addition, the new Program Manager will endeavor to identify obstacles to meeting under-served needs and work with local agencies to explore solutions to meet those needs.

The assessment of the HOPWA program will include an evaluation of existing institutional structures as well as consideration of new structures to better serve clients.

DISCHARGE POLICY

The State of Utah recognizes the need to create and implement policies and procedures to keep those being discharged from foster care, youth detention, incarceration, and care facilities from becoming homeless. To this end, the Utah Department of Human Services reorganized the statewide Discharge Planning Committee's responsibilities in August 2007 to focus on program policy and funding on the macro level. Issues identified in the local homeless coordinating committees throughout the state are brought to the attention of the state Discharge Planning Committee. This communication is accomplished by having various Department of Human Services local representatives who participate in each local homeless coordinating committee. Other local mental health and substance abuse authorities and providers are also connected to the local homeless coordinating committees. Gaps in services, policy blockades, and bureaucratic obstacles are identified at the local level and communicated to the statewide committee.

The Utah Department of Corrections has a policy that no one can be discharged into homelessness and is looking at refinements and developments to this policy.

COMMUNITY DEVELOPMENT

(Please refer to Table 2C above)

In 2008 the State of Utah will use its entire allocation to meet the priorities established in three main program areas of housing, community development and economic development – all to benefit low to moderate income persons. The state's community development efforts for the next one-year period will follow the priorities listed in Table 3. This information, in connection with the economic development and housing sections, fulfills all of the requirements of 24 CFR 91.1.

Due to the commonly held preference for local control of decision making, each of the seven planning regions has produced Chapter 3 of their respective consolidated plans. That chapter lists community development needs along with their copy of Table 2C. The lists contain the types of projects most likely to be funded this year based on preliminary rating and ranking. Each regional plan provide an overview of local needs, and each document offers a specific plan for how HUD funds will actually be spent on community development in 2008.

The top priority for using CDBG funds in 2008 appears to be housing followed by community facilities. This is opposite of last year and is due to the drastic increase in the cost of housing throughout the state of Utah. Utah's tremendous construction boom, as reflected in the Economic and Demographic Overview attached to this plan (see Attachment 3), has resulted in a significant increase in housing costs. In turn, this has resulted in a greater need for federal community development dollars to support housing. Planning is not necessarily the third highest priority. However, because each of our seven regions does planning, DHCD issues seven regional planning grants. ADA access and water follow as priorities. While water is and has always been a top priority, scarcity of CDBG funds make it difficult to use HUD money for this type of expensive activity. This is especially true since other funding sources are readily available.

Economic development has always been popular, but DHCD is trying to fund less of these activities for two reasons: our strong state economy has lessened the need and the cost-to-benefit ratio for this type of grant has historically been low. This next year as in

past years, the Utah CDBG program will continue funding economic development through a variety of vehicles. The state will continue to market and support an interim or float loan program through both an existing loan to Temkin International in Utah County and through consideration of new loan applicants. CDBG funds will be used to fund economic development technical assistance at the regional level and to support the regional revolving loan funds. The following entities will receive technical assistance grants: Bear River AOG, Mountainland AOG and South East ALG. Uintah Basin, Five County and Six County AOGs will take a portion of their administration and planning funds to support economic development professionals. Wayne County will receive a grant to directly fund an economic development professional to provide technical assistance to small low income business owners. Local economic development professionals in Utah are coming to realize the strength, potential, and value in rural areas for small homegrown businesses. Our goal is to use the full range of HUD tools available to promote economic development in Utah even to the extent of continuing to pay back our 108 loan.

The state allows each AOG to apply for up to 15% of their regional CDBG allocation for administration and planning. A significant portion of this amount will go towards planning, as it remains a critical need in rural Utah. This will put the state near or above 15%, but below the 20% cap for administration and planning. State staff monitors to insure the cap is not exceeded.

At the time of this writing, applications are being reviewed by the regional review committees for rating and ranking. Again, given the states unique method of distribution, it is impossible to tell what applications will be funded at the time of this writing. However, this information is made available on the state's web site and in many cases on the regional AOG web sites. Interested parties should feel free to look it up at <http://community.utah.gov> or contact the state office toll free at 877 488-3233 for information on funded projects.

The main objective for CDBG-funded economic development activities is the creation of economic opportunities for LMI households. The CDBG- funded outcomes will create jobs or assist low income business owners both directly and indirectly. Outputs will count jobs created including those jobs filled by low-income persons and or businesses assisted. Quarterly reports for active RLF funds and performance measures are reported in the HUD IDIS system.

Table 3
Annual Non-housing Community Development Needs Assessment

	(Based on Pre-Applications)						
	Water	Housing	Sewer	Econ. Devel.	Commercial. Fac.	Access	Planning
Total Priority	5	1	7	6	2	4	3
Bear River	0	3	0	1	4	0	2
Mountainlands	1	0	0	1	3	2	2

Six County	0	2	0	2	0	0	1
Southeast	2	3	0	1	0	0	1
Five County	0	2	0	0	0	3	1
Uintah Basin	0	4	0	0	1	0	1
Davis Co.	1	3	1	0	0	1	1
Morgan Co.	0	0	0	0	1	0	0
Tooele Co.	0	1	0	0	2	0	0
Weber Co.	2	0	0	0	1	1	0

Utah's 2008 CDBG allocation is \$6,547,918 as the base allocation. After the deduction of administration costs, the remaining balance for regional allocation is \$6,316,960 . The following formula is used to distribute this amount to the non-entitlement cities and counties through their regional planning agencies. Each of the seven planning regions receives a base amount of \$300,000.00 for a total of \$2,100,000.00. That amount is subtracted from the amount available after state administration. The remaining balance of \$4,216,960, is divided on a per-capita basis of 3.893025261 (allocation divided by population = per capita formula) based on the most current non-entitlement population figures obtained from the State of Utah, Office of Planning and Budget.

Table 4
Annual Non-housing Community Development Needs Assessment

REGION	% NON-ENTITLE. POP.	NON-ENTITLE. POP.	PER CAPITA ()	BASE	TOTAL
BRAG	9%	100,239	390,233	300,000	690,233
WFRC	35%	383,149	1,491,609	300,000	1,791,609
MAG	29%	35,643	1,228,806	300,000	1,528,806
UBAOG	4%	44,608	173,660	300,000	473,660
SCAOG	7%	69,537	270,709	300,000	570,709
FCAOG	11%	116,602	453,935	300,000	753,935
SEUALG	5%	53,431	208,008	300,000	508,008
TOTAL	1	803,209	4,216,960	2,100,000	6,316,960

Note: Each region has listed their method of distribution in the state's CDBG Application, Policies and Procedures guidebook. For more information, see <http://community.utah.gov/>.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING (additional information provided per 3/1/07 memo from J. Padgett)

Unfortunately, the concentration of certain populations (mentally disabled persons, mentally ill, chronically homeless, troubled youth, and other transitional populations) into multi-unit projects has created some opposition in the form of “not in my back yard” (NIMBYism) in many communities. Fair housing laws do protect these uses and communities must accommodate these types of housing in any community where it makes sense for this type of housing to be accommodated. Several examples of NIMBYism occurred in 2007 during multifamily developments in St. George (mentally disabled), Helper (homeless), South Salt Lake City (homeless veterans), and West Valley City (chronically homeless mentally ill). In most cases, local zoning ordinances provided some relief for developing agencies. However, DHCD and local agencies continue to work with neighbors adjoining the properties to allay fears and explore security issues. In May and September 2007, training was provided to housing developers and agencies on Fair Housing.

Other impediments Utah communities face include; zoning barriers to group homes, lack of public transportation and inadequate supply of family-size units. Actions to remedy these impediments are addressed by developing and promoting affordable housing accessible to public transportation, working with local officials to review and revise zoning ordinances, and leveraging financial resources to increase the number of single and multi-family housing units to be constructed or rehabilitated.

Each recipient of Olene Walker Housing Loan Fund (OWHLF) HOME funds certifies through a signed contract to comply with Titles VI and VIII of the Civil Rights Acts and shall affirmatively further fair housing as set forth in Subpart H, Section 92.350, FEDERAL REGISTER, Monday, December 16, 1991, 24 CFR Part 92, HOME Investments Partnership Program; Interim Rule as amended from time to time. Recipient records demonstrating compliance with the affirmative marketing procedures and requirements of 92.351 are monitored by the Division of Housing and Community Developments’ internal auditor for compliance. For existing properties, DHCD monitors previously funded projects each year (the compliance period) for Fair Housing issues, with reports and issues presented to the Olene Walker Housing Loan Fund Board at each quarterly meeting. One issue with Fair Housing during 2007 has resulted in a change in ownership and the total rehabilitation for a multifamily project for the homeless in Helper, Utah. This issue was brought to the OWHLF Board on December 20, 2007.

To better prepare low income households for home ownership and to encourage home ownership, DHCD has participated in the formation of the nonprofit Utah Homebuyer Education Coalition (UHEC). Members of the coalition have agreed to certify counselors for homebuyer education and use a consistent curriculum statewide. The curriculum prepares households for homeownership by counseling on debt management, money management, down payment assistance options, financial responsibility for taxes and insurance, property upkeep, and avoiding mortgage fraud.

RATING AND RANKING (additional information provided per 3/7/07 email from J. Padgett)

The HUD funds for HOME activities, CDBG, ESG, and HOPWA are governed by each program’s allocation plan. Those plans are created in a public process that provides at least an annual hearing. Hearings are advertised state-wide in accordance with Utah’s Open Public Meeting law. Comments are considered in finalizing changes and updates to each allocation plan. In addition, each

program's distribution of funds is governed by state Boards with membership appointed by the Governor and other advisory committees which make final decisions for project funding in an open public meeting format.

HOME

To distribute HOME and matching state funds, DHCD conducts four application cycles each year. To coincide with the federal tax credit application process, larger requests for OWHLF multi-family project funding tend to occur each fall. Once applications for projects or programs are received and reviewed, DHCD recommends a level of funding to the Olene Walker Housing Loan Fund Board necessary to achieve long-term financial viability and to ensure that low-income populations are served throughout the funding period. The OWHLF utilizes a 15% CHDO setaside in approving applications for funding assistance. Board meetings are conducted under State of Utah public meeting laws. In making final project approvals, the OWHLF Board considers:

- The sources and uses of funds and total financing including loan terms, equity and contributions planned for the project. Except in rare circumstances, the OWHLF does not provide loans for the refinancing of MF and SF properties. Any instances would follow HUD regulations Sec. 92.206(b).
- Adherence to special set-asides for Community Housing Development Organizations (CHDOs), rural set asides, special needs housing, and grants (see Attachment A).
- The equity proceeds expected to be generated by use of the Low Income Housing Tax Credits.
- The percentage of the housing dollar amount used for hard project costs compared to the cost of intermediaries (e.g. syndication, developer, consulting) and other soft costs.
- The reasonableness of the developmental, construction, and operational costs of the project and the rate of return of the owner's investment.
- The support from the local community including the amount of any CDBG grant funds allocated to the project.
- The proposed time frame for construction or rehabilitation.
- Adherence to ENERGY STAR for new construction and rehabilitation unless a waiver is granted showing that all cost effective energy upgrades have been completed.

HOPWA

The selection criteria for awarding of HOPWA funds are based on a statewide survey of agencies that provide services to people living with HIV/AIDS. Of those, agencies that were funded in the previous year and that demonstrated effective use of funds are funded in the following year. On a practical basis, ongoing funding of the same agencies prevents those on assistance from the threat of homelessness should funding be cut. An HIV/AIDS Housing Steering Committee--a committee of medical care providers, housing agencies and HOPWA sub-recipients--remains in direct contact with people living with HIV/AIDS. Their combined knowledge of the medical and supportive services providers insures that distribution of funds is equitable among the providers and client needs throughout the state.

ESG

For the upcoming fiscal year, DHCD will publish the RFP on March 1, 2008 for the Emergency Shelter Grant (ESG) Award in conjunction with our funding from state sources such as the Pamela Atkinson Homeless Trust Fund and Critical Needs Housing programs. DHCD will hold an application workshop in March 2008 to help educated potential applicants regarding the program rules and regulations and the priorities of the allocation committee for the upcoming year. Applications for funds will be due into our office by March 30, 2008. Thereafter, we will hold allocation hearings and award funds by May 14, 2008. DHCD will fully commit all ESG funds by that date.

CDBG

The Community Development Block Grant (CDBG) funds are utilized consistent with the distribution methodologies developed by the regional planning agencies as approved by the state. Essentially, each of the seven planning regions is given a base amount of \$300,000 with the balance being distributed based on a population formula. Utah CDBG policy has long held that program decision-making should be made as close to the applicant level as possible. On this basis, each of the seven regional planning agencies or AOGs has been delegated the responsibility to create and apply a rating and ranking process.

For CDBG, these rating and ranking systems are carefully and completely described in the 2007 CDBG Applications, Procedures and Policies Manual. This book is available on-line (<http://community.utah.gov>). It is distributed to all potential applicants in a mandatory how-to-apply workshop held each September with approximately 15 workshops throughout the state. Prior to adoption of these systems by local elected officials in each region, they are subject to a public review process. The state has final approval authority over these systems, and they must include the state's mandatory elements. The rating and ranking systems are evaluated each year and modifications are made. Special efforts have been made since the last consolidated plan to eliminate subjectivity and create clearer scoring criteria.

LEAD-BASED PAINT

The State of Utah has estimated that there are 75,000 homes in the non-entitlement areas that were constructed prior to 1978. Of these homes, an estimated 20,000 are most likely to have lead based paint hazards. And it is expected that 12,000 of these homes are occupied by low or moderate-income persons. These homes are occupied primarily by elderly persons, many of whom are retired and living on fixed incomes. In the 2000 program year, the State set aside funding for each of the 7 regional Association of Governments areas. This funding was earmarked for LBP testing equipment to assist housing rehab professionals in the rural areas. This plan has been somewhat successful in that more pre-1978 homes are tested and subsequently rehabilitated. The challenge continues to be 1) limited funding 2) local staff turnover 3) lack of trained contractors and 4) a large geographic area (80,000 square miles) to cover.

The urban areas of Salt Lake City and Salt Lake County operate very successful lead hazard reduction/housing rehab programs and no new funding is needed at this time. This is due in part to the relatively small geographic they serve and the availability of large lead based paint grants for urban areas.

We continue to encourage partnerships between the Weatherization, CDBG and HOME programs so that trained staff is available in each of the seven regions to test the pre-1978 homes of low income persons. It is our hope that through continued education efforts, we will be able to raise the awareness of the issue of lead based paint poisoning in the State of Utah.

All multifamily and single family units that are funded with HUD entitlement funds to DHCD are required to meet all requirements for testing and abatement of lead-based paints.

LIST OF ATTACHMENTS

- Attachment 1: Public Comments Received per 10-day Comment Period (beginning 2/4/2008)**
- Attachment 2: Local Consolidated Plan Updates and Action Plans from all Seven Regional Planning Agencies (attached as a CD)**
- Attachment 3: Economic and Demographic Background Information**
- Attachment 4: Program Funding Considerations (Program Income, Administrative Funds, Match, etc.)**

Attachment 1
Public Comments Received per 10-day Comment Period (beginning 2/4/2008)

(only one person representing a housing coalition attended the hearing, but no comments were received)

Attachment 3

ECONOMIC AND DEMOGRAPHIC BACKGROUND INFORMATION

The Economic Report to the Governor provides information to elected officials, business leaders, and citizens. According to report, Utah's economy is the strongest in the nation. Utah's economy grew very rapidly during 2007 and for the fourth consecutive year, the state outperformed the nation. Utah's job growth was 4.5%, down from last year, but leading the nation. With continued high energy prices, mining and energy production—principally natural gas, coal, and oil—continued to climb during 2007. The outlook anticipates moderate to slow growth during 2008. Population growth will remain steady and moderate job growth and low unemployment are expected. Local economic strengths, weaknesses and growth rates are unique and vary by county. Communities in Utah have long realized the importance of economic development in sustaining their communities. Finally, many community leaders are beginning to realize that housing and community development efforts are critical to economic success.

Growth

According to the most current State of Utah population projections based on the updated 2000 census, the State of Utah currently has a population of 2,550,063 or 3.3 percent increase from 2006. Utah is facing unprecedented population growth. Projections indicate that Utah's population will hit 3 million before 2010. Utah has a choice: growth can happen and the state can respond reactively; or alternatively, individuals can come together to discuss and plan for the challenges and opportunities of population growth. Obviously this plan espouses the latter and actions taken now to address growth in these and other critical areas will have significant implications for long term quality of life for all of Utah and her citizens.

Jobs and Wages

Employment grew 4.5% in 2007, exceeding the 3.3% long-term average for the third year in a row. Such tremendous job growth drove the unemployment rate down to a record low of 2.7%. All of Utah's major employment sectors experienced growth in 2007, with growth rates ranging from 0.2% in information to 11.9% in natural resources and mining. Growth in the construction sector did not reach 2006 levels due to slowing in the residential sector. Growth in this sector was still robust, adding 10,660 jobs (11.2%), due to record valuations in nonresidential construction. Utah's average annual non-agricultural pay was \$36,500 in 2007, up 5.5% over the previous year. For the fourth year in a row, wage growth in Utah exceeded inflation, improving Utah's standard of living.

Agriculture

There are still many people in rural Utah who rely on traditional farming or ranching to make a living. With the exception of a very few large operations most struggle to get by. It seems more young people leave the rural, agrarian lifestyle every year. However, Utah farm income is expected to reach the highest level ever, given record-setting prices for most agricultural products. Rising prices should generate welcome sales growth for Utah's ranchers and farmers during 2008.

Construction

Total construction valuation remained strong in 2007 at \$7.1 billion, slightly lower than the record high of \$7.4 billion in 2006. The near-\$900 million drop in new residential construction valuation was offset by \$500 million in new non-residential construction valuation, a 32% increase over the previous year. Following a near-record high of 19,900 in 2006, there were 14,000 new single-family homes permitted in 2007. This was the lowest amount of single-family construction activity since 2001. As single-family home prices have increased, so has the demand for condominiums. Multifamily building permits were up 10% in 2007 and condominiums captured about 20% of the new residential market in 2007, the highest share ever.

Non-residential construction should remain at record levels in 2008 due to new and continuing projects, such as City Creek Center in downtown Salt Lake City and the Legacy Parkway running from North Salt Lake to Farmington. However, strong net in-migration and low apartment vacancy rates will not be enough to keep dwelling unit permits from dropping another 1,500 units in 2008. Because growth in the non-residential sector should continue to somewhat offset the decline in the residential sector, construction jobs as a percent of total nonagricultural jobs should remain high.

Defense

Against a background of the War on Terrorism, Utah's defense industry continued to expand in 2007. Having survived the Defense Base Realignment and Closure Commission process with the Deseret Chemical Depot, Hill Air Force Base (HAFB), and Fort Douglas essentially intact, these installations continued to carry out their assigned missions. HAFB picked up additional missions to maintain and modify F-16, F22, and A-10 aircraft. Defense-related spending in Utah in FY 2006 was estimated at \$3.9 billion, rising 10.7% from the previous year. This level of defense activity is expected to continue through 2008, as a result of military involvement overseas and base realignment.

Energy & Minerals

Following an all-time high of \$8.1 billion in 2006, the gross production value of all energy and mineral commodities produced in Utah totaled \$7.7 billion in 2007. The current values are also largely due to higher prices rather than increased production. The value of Utah's total mineral production in 2007 was estimated to be about \$4.76 billion, a 1.3% increase over the previous year. Substantial increases in metal and mineral commodity prices and increased metals and industrial-mineral production have led Utah to rank fourth among all states in the value of non-fuel mineral production. Utah experienced a significant increase in crude oil and natural gas production in 2007, while coal production slowed as a result of unexpected mine closures. Production of coal and natural gas continued to satisfy increasing demand while crude oil production accounted for only 36% of Utah's consumption. The wellhead price of crude oil and motor fuels reached record highs in 2007 while the price of natural gas decreased due to limited pipeline capacity. The average price of electricity in Utah remained well below the national average due to our reliance on low-cost coal fired generation.

Energy extraction has impacted the economies of eastern and central Utah creating strain on existing community infrastructures and the availability of affordable housing. The permanent increases in oil prices have given record increases to the Community Impact Fund which is tapped by local governments for infrastructure improvements including water, sewer, and roads. Because CIB funds

are state funds without attached federal regulations, CDBG-eligible communities often follow the CIB pipeline to funding rather than CDBG.

Tourism

Utah's travel and tourism sector experienced significant gains during 2007. Total traveler spending was an estimated \$6 billion in 2007, a 2.3% increase from the previous year. Travel related employment increased 0.5% to 113,200 jobs, this accounts for 9% of all nonagricultural jobs in Utah. For the fourth consecutive year, the Utah ski industry experienced an all-time record in terms of skier visits; hotel occupancies were also up and visitation increased at both state and national parks.

Looking Ahead

Utah's economy is coming off four remarkable years. The growth will slow, but not stop in 2008 thanks to low un-employment and strong in-migration. Hopefully wages will increase faster than inflation during 2008 (except in the government sector), thereby improving Utah's standard of living.

Utah's Rural Economy

Utah's economic engine is based along the Wasatch front from Ogden in the North to Provo in the South. Off of the Wasatch front the economies of other counties varies greatly. Evaluating the regional consolidated plans demonstrates how the local economies compare to one another. Some are doing very well and others are lagging. There are tremendous differences in the economies of the 29 counties in the state and this plan only provides a general overview of those differences. To gain a better understanding of the challenges and opportunities facing each county the regional plans should be carefully studied.

In rural Utah, HUD has been and will continue to be a key player in economic development. Revolving Loan Funds (RLF) were set up and capitalized with CDBG funds across the state. Most have cut their ties to HUD funds through the creation of non-profit economic development organizations. So in essence, CDBG RLF funds are a vital part of the rural economy in each region of the state.

The state also has an active interim loan fund that reviews several applications each year. Currently there is one active loan with Temkin International in the southern part of Utah County. This loan was for over 2 million dollars has created nearly 100 jobs, the majority of those jobs for low income persons. The interest rate on this loan is set at 2%. The state generally charges 2% for its interim loans with the objective of creating jobs, not generating program income. Interest is generally paid on an annual basis. The Applications, Procedures and Policies Manual available on line or directly from the state fully explain these policies. We expect both the RLF and interim loan funds to remain active and strong in the future.

Comprehensive Economic Development Strategy and Regional Plans

The regional consolidated plans contain a great deal more information than is contained in this plan. Below is a very brief synopsis of each regions economic status and strategy. Regional plans can be viewed via the listed website or CD from the Division of Housing and Community Development.

BRAG – http://www.brag.utah.gov/develop_cdbg.html - In general, the Bear River District is experiencing a vibrant economy with population growth, job growth, and low unemployment rates. BRAG's labor force is well educated and for a large part underpaid. Competition for employees could lead to increases in wages. Technology, service and agricultural and heritage based businesses will continue to be the focus of efforts to foster small business start-ups, business expansion and business retention. Education and training of the workforce to meet current labor needs is also a priority.

FCAOG - <http://www.fcaog.state.ut.us/dep/community/consolidated.php> - Although the five counties of the Southwest District share common geographic boundaries, the economic make-up of the individual counties varies considerably. The three counties that share access to Interstate 15 (Beaver, Iron and Washington) also exhibit more diverse economic bases and more resilient economies. The two more remote counties (Garfield and Kane) are dependent upon tourism as their primary economic base.

The Five County region of Southwestern Utah exhibits many positive economic factors, including high labor skills, competent labor climate, Interstate-15 access, excellent natural recreational opportunities, low unemployment rate, moderate real estate tax costs, and proximity of support services. These and other positive economic factors have created one of the most dynamic regions in the country.

During 2008, Southwestern Utah leaders and economic development staff will focus on activities that will encourage the best use of the existing economic diversity, traditional values and skilled labor force; the support of local economic development boards; wise use of available funding mechanisms; appropriate development standards and focused efforts in education; and greater public involvement to attain a dynamic, cooperative and strong economic future.

MAG - <http://www.mountainland.org> – Mountainlands economic goals are to enhance the Economic Development District concept, encourage collaboration between government and business, provide technical assistance, take advantage of economies of scale, promote a regional approach, enable academic business opportunity and promote the creation of higher skill/higher wage jobs in all communities throughout the Mountainland region.

SCAOG - <http://www.sixcounty.com> - The top priorities in the Six County area are to maintain economic development offices and professional staff in each county and expand, retain, or create business or industry that provides family sustaining wages and improves the median family and per capita income level of the area. The Region is listing the need for economic development as a regional wide area of focus.

SEUALG - <http://seualg.dst.ut.us/> - While compliance with the LMI benefit requirements makes it difficult to use HUD funds for direct economic development activities, communities have begun to consider the development of affordable housing, especially workforce housing, as directly related to economic development. Communities also consider amenities such as parks and other recreational facilities to be directly related to economic development, especially for those communities that wish to attract families to relocate into their area. All other direct economic development activities will be conducted by the Southeastern Utah Association of Local Governments and will be available to the entire district.

UBAOG <http://www.ubaog.org/> - Since the early 1970's, Northeastern Utah has experienced the effects of a "boom and bust" economy. The "boom" was an economic reward; the "bust" was an economy dependant on a single process. The Uintah Basin has constantly struggled from the oil "bust" of the 1970's that devastated economic stability in the region. With an economy significantly based upon oil extraction, public officials were caught unprepared to deal with the hardship that resulted. While the demand for domestic oil decreased, both existing workers and new entrants into the labor force were met with a steady decrease in income. Unemployment rates soared to as high as 16 percent and the results were disastrous.

The economy is now booming with the increase in oil extraction. The oil and gas industry has had both good and bad effects on an ever-changing workforce. While there are more jobs than at any time in the Basin's history, those leaving for the higher paying jobs in the oil and gas industry have left holes in other industries that cannot compete with their wages. Education, government, service sector, housing and other industries are struggling to meet the demands of an increasing population. Though there are no complaints about the growing economy, there are concerns on how small communities will be affected by such rapid growth in such a short period of time.

The Uintah Basin economic developers encourage a diverse mix of growth from both existing value-added businesses and new recruits. To provide high quality career opportunities for local citizens and their children and increase wages and income that enable local citizens to improve their standard of living. The Uintah Basin wants to retain and expand existing value-added businesses within the region consistent with the core economic values.

WFRC – <http://wfrc.org/cms/> - The Wasatch Front Regional Council (WFRC) is unique in the Utah system because WFRC is not an association of governments. Therefore, each eligible county in the region conducts its own rating and ranking and prepares its own unique consolidated plan, including economic development strategies. While each of the four counties is doing well economically and all are revisiting their economic development plans there are differences best viewed by visiting each counties plan through the link above.

The state supports local and regional organizations that promote economic development through technical assistance, RLFs and float loans.

Low Income Populations

The percentage of minority families in Utah has grown to about 11.4% and the demographics show that a significant majority live along the "Wasatch Front". The largest and fastest growing minority in the state is Hispanic (8.2%) followed by Asian (2%), Native American (1.5%) and African American (.5%). There are increasing numbers of persons with Pacific Island origins, as well, currently about .6%. Native American lands are designated for the Utes at Uintah-Ouray Reservation, Navajos in southeastern Utah, members of the Ute Tribe reside at White Mesa area, members of the Gosute bands in western Utah, the Shoshones in northern Utah, and the Paiutes in central and southeastern Utah.

The income characteristics of the state show lower per-capita income (\$10,889) than other states in the west due primarily to an extremely high birth rate (22.1 per 1000 persons) and a large number of persons classified as younger. There is approximately half of the population living in the State of Utah are classified as low or moderate income. There are a significant number of people underemployed due to the nature of jobs available in the state and the economic dependence in some areas on tourism. Population growth at 3.3% and net in-migration remains at approximately 41,000 as Utah's economy continues to outperform the national economy. The net in-migration includes approximately 265 refugees per year through the U.S. State Department.

According to the U.S. Census Bureau's 2006 American Community Survey 10.2 percent of Utahns live below the poverty level (63,000 households per the US Census). This compares to a national poverty rate of 13.3 percent. Eleven of Utah's twenty-nine counties have poverty rates above the national rate with San Juan County as one of the nation's poorest counties with a high Native American population and a poverty rate of 31.4 percent. Most Utah households in poverty are white with someone who has worked at some point during the past year. The annual report of poverty prepared by the Utah Community Action Partnership Association at <http://www.utahcap.org> shows that poverty is experienced by:

- 10.9 percent of children under 18
- 6.5 percent of people over the age of 65
- 2.4 percent of full-time workers
- 14.5 percent of part-time workers
- 17.5 percent of those with less than a high school diploma.
- 29.4 percent of American Indian and Alaskan Natives;
- 13.7 percent of Asian Americans;
- 22.7 percent for Hispanic Americans or Latinos of any race

Minority households are typically lower income and often experience a higher percentage of inadequate housing than other families. Minority families, elderly persons living on Social Security and single female heads of households, occupy many of older homes in rural Utah and do not have the financial ability to maintain or rehabilitate them. The number of persons living with a disability in Utah is now over 298,000. Mostly the disabilities are physical 46% but a large percentage 28%, have mental disabilities.

Attachment 4
Program Funding Considerations (Program Income, Administrative Funds, Match, etc.)

Program Area	Administrative Funds	Program Income	Matching Funds
HOME	DHCD sets aside 5% of HOME funds received for administration of HOME-based programs. Not all administrative funds are used at DCHD. Some funds have been allocated to local agencies for administration of the Single Family Rehabilitation and Reconstruction Program and ADDI. All administrative costs are documented to assure that charges are appropriate and applicable. Local agency administrative cost documentation is monitoring on an annual basis by DHCD monitoring staff. The estimated administrative set-aside for 2008-09 is \$368,301.	The Division of Housing and Community Development has historically provided low interest loans for multifamily and single family new construction and rehabilitation. Although HUD has expressed a need for DHCD to increase the number of grants verses loans to minimize long-term program income issues, MF projects with tax credits preclude grants. In these instances, DHCD has recommended low interest cash flow loans to the OWHLF Board. Because of the nature of these projects (serving very low income populations), DHCD is not expecting any program income from these projects. However, any program income received is tracked based upon the original source of funds (HOME PI, State match PI, etc.). All PI is allocated first before any unobligated HOME funds, and PI is expended first. When a project is resold or when a foreclosure occurs, the State of Utah recoups all or at least a portion of the HOME assistance provided. These recaptured funds are treated as Program Income.	HOME funds are matched with a 25% match from state legislative appropriations to the Olene Walker Housing Loan Fund. The funds are designated "on-going" for legislative funding. Matching funds are accounted separately from non-matching state funds, and any matching funds later received as program income are accounted separately. Besides the state match, the HOME and state matching dollars leverage other public and private funding on a project by project basis. Leveraging for 2007 multifamily projects averaged \$5.56 per HOME and state match dollar allocated. For 2008-09, the state match for the new year HOME allocation will be \$920,827.
ESG	The 2008-09 administrative set-aside is estimated at 5% or \$29,951 for ESG	No program income.	Matching funds dollar for dollar are derived from the State of Utah's Pamela Atkinson Homeless Trust Fund. In addition to this match, and funds provided by the state to local agencies (including the PAHT and ESG funds) must also be match dollar for dollar with local funds. For 2009-09, the state match for the new year ESG allocation will be at least \$605,951.
HOPWA	DCHD sets aside 10% of the HOPWA funds received for administration of the program. Not all administrative funds are used at DHCD with 3% reserved for DHCH expenses and 7% for local agency expenses. Local agency administrative cost documentation is	All grants – no program income.	Not required.

	monitoring on an annual basis by DHCD monitoring staff. The estimated administrative set-aside for 2008-09 is \$11,500.		
CDBG	Based upon the State of Utah's allocation of CDBG funding, the State is authorized to use \$100,000 plus two percent (\$130,958) of the total grant for a total administration cost of \$230,958. . All administrative costs are documented to assure that charges are appropriate and applicable.	CDBG program income is expected from a float loan made to Mountainland AOG on behalf of Temkin International based on job creation for low-income workers. The amount of income expected in FY 2008 is \$706,666. This repayment includes interest that is considered program income. This and any other program income that the state receives will be placed into next year's allocation. The income will be distributed per the state's standard method of distribution as described below and per the 2009 CDBG Application, Policies and Procedures guidebook. Program income from HUD revolving loan funds will be retained at the local level and used to perpetuate the purpose for which it was originally granted, including all applicable rules and regulations.	No match is required. However, an average of \$2 is being leveraged for each project receiving CDBG funds.